



MILBERG WEISS

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July 19, 2006

VIA E-MAIL

Robert A. Nicholas, Esq.
Reed Smith LLP
2500 One Liberty Place
Philadelphia, Pennsylvania 19103

Re: *Santiago v. GMAC Mortgage Group, Inc.*, No. 02-4048
Settlement Demand

Dear Bob:

In accordance with the Court's Order dated May 25, 2006 and modified on June 29, 2006, we write to provide Defendants with a demand in the above-referenced action. It assumes the facts set forth in the Affidavit of Linda Naylor. This demand is limited to Plaintiff's claims arising from alleged mark-ups of flood certification fees charged to borrowers whose mortgages originated in the "broker" channel, as described in the Affidavit of Linda Naylor. We will consider releasing the remaining claims after reviewing confirmatory discovery demonstrating that Defendants did not mark up any tax service fees during the class period, and that no flood certification fees were marked up in the retail, direct, and Ditech channels.

Plaintiff is willing to settle this action for \$1,692,473.00. This amount reflects \$206,374.60 in actual damages suffered by the class, trebled, as allowed by 12 U.S.C. § 2607(d), and the fees and expenses of Plaintiff's counsel.

This proposal is made with the understanding that this is a settlement communication, that this proposal will be kept confidential, and that we are not foregoing any right to seek a larger amount should the litigation continue.

Please contact the undersigned if you have any questions.

Sincerely,

Barry A. Weprin

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